

A New Perspective on Historical Theories of Poverty

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Abstract

The current study aims to examine poverty theories in light of new perspectives and approaches. The methodology used for this research, that is solely qualitative, is based on the literature. The study explores a variety of theories on poverty, including classical, neoclassical, Keynesian, Marxist/radical, monetary, cultural, ecological, economic, political and the theory of social exclusion and social capital. Some policy measures are suggested to overcome poverty such as economic growth must benefit all citizens through progressive tax systems, education, health, and work opportunities, improving infrastructure and local industries competitiveness, increased transparency, stricter enforcement, and strengthening of institutions to prevent corruption, encourage political participation through voter education, parties, and debate, encourage trade, investment, renewable energy sources, and self-help strategies to reduce poverty.

Keywords: Inequality, poverty, power, social exclusion, trade, wealth

1. Introduction

Poverty is a social disease with worsening economic repercussions (Muhammad, F. et al., 2022). When compared to others in a society, a nation, or the entire world, a person or household is said to be in a state of poverty when they do not actually have access to the numerous resources needed to meet their fundamental requirements for survival. The most enduring question facing humanity is how to find the correct solution to such a complex challenge (Shaikh P. A., 2020). Undernourishment, lack of purchasing capacity, education, family dependency, and ageing household head all contribute to poverty. Global challenges such as poverty have an impact on people, communities, and countries. Lack of access to resources, opportunities, and necessities is poverty. A daily income of less than \$1.90 is considered to be poverty, while extreme poverty in the year 2021 is 9.2% of the world's total population. On the other hand, social exclusion, limited access to services and goods, and a lack of power and influence are also the fundamental causes of poverty (World Bank, 2021). People, communities, and countries are all severely impacted by poverty. To reduce it, a multifaceted strategy is necessary (UNDP, 2021).

Poverty is complex and multidimensional it requires contemporary approaches to address both economic and non-economic components of poverty. There is a growing understanding of the interconnected and multifaceted nature of poverty in today's academic literature, as well as the necessity for multidimensional approaches that address both the economic and non-economic components of poverty. Additionally, there is a growing focus on the significance of including the poor in attempts to reduce poverty through strategies like community-led development and participatory planning. The issue of poverty has more recently been examined through the prism of behavioral finance, which examines the influence of psychological and social factors on economic decisions and consequences. This has led to a new perception of poverty as a complex issue that requires a multi-disciplinary approach, including economics, sociology, psychology, and political science (Thaler and Sunstein, 2008).

Social safety programs, economic growth and development, and community-led development have been used to reduce poverty. However, the problem of poverty still exists despite these measures, and there is a rising awareness of the need for more comprehensive and long-lasting solutions. The World Bank's attempt to reducing the poverty is based on welfare of humans while the Sustainable Development Goals emphasize multifaceted methods (WB, 2021). In conclusion, theories of poverty are essential for comprehending the underlying causes of poverty and creating successful measures for its eradication. Theories of poverty help direct efforts to reduce poverty around the world by highlighting the interconnected and complicated nature of poverty, ensuring that these efforts are thorough, long-lasting, and successful.

2. Purpose of the Study

This study reviewed previously published works on controversial theories of poverty, critically analyzed each one, and identified any shortcomings. The goal of the present research is to provide policy recommendations for each theory of poverty as well as an understanding of these theories in light of the current state of the globe. This study has closed a gap in the current literature review and help in implementation of policies by researchers and policymakers.

3. Literature Review

Despite a global unwillingness to see poverty diminished, there is little agreement on a single definition and measurement of poverty. Kotler et al. (2006) claimed that a variety of circumstances have made it difficult to come up with a single definition of poverty. These variables can be categorized as financial variables, individual variables, cultural variables, social exclusion variables, economic variables, political variables, and ecological variables. In general, scholars and policymakers identify poverty with the themes of destitution, deprivation, the disadvantaged, inequality, and the underprivileged since poverty is difficult to define and measure (Rank, 2004). Another perspective on poverty is the human development approach, which emphasizes the importance of addressing the multiple dimensions of poverty, including deprivations such as income, health, education, and empowerment.

This approach argues that poverty reduction strategies should prioritize the development of human capabilities and the promotion of human well-being rather than simply boosting economic growth (Sen, 1999). One such perspective is the structuralist approach to poverty, which argues that poverty is a cause of fundamental factors such as globalization, technological change, and the unequal distribution of power and resources in society (Ravallion, 2018).

These new perspectives on poverty offer a more nuanced and comprehensive understanding of poverty and inequality and provide valuable insights for policymakers and development practitioners, working to reduce poverty and inequality.

4. Research Methodology

The current study is entirely qualitative in nature. This study is the result of a review of prior work. In this study, a large number of books and articles are studied in order to determine the significance and role of poverty ideas in eliminating poverty. The study's conclusion offered suggestions or remedies for helping the impoverished escape poverty. Based on recent research, the following theories of poverty are listed for evaluation.

5. Theories of Poverty

5.1 The Classical Theory of Poverty

The classical theory of poverty explains poverty as an outcome of individual factors such as lack of initiative, laziness, or poor personal decision-making. Poverty theory is too deterministic and fails to account for systemic and structural factors. Nonetheless, it is commonly acknowledged that the traditional approach only provides a partial explanation for poverty and ignores the important role played by structural and systemic problems, such as income disparity, discrimination, and a lack of access to educational opportunities and medical care. These elements frequently contribute more to the persistence of poverty, and a thorough understanding of poverty must take them into consideration.

This theory of poverty is rooted in the works of 18th and 19th century economists including Adam Smith, Thomas Malthus, and David Ricardo. According to Malthus (1803), summarizes that poverty results from population growth outpacing economic growth and that individuals who are poor are so because of their own behavioral

decisions and lack of self-discipline. While Adam Smith, proponent of the classical theory of poverty, asserted that the only way to eradicate poverty was to encourage economic development and individual initiative because poverty was a logical consequence of the market economy (Smith, 1776). This theory holds that poverty is a natural and unavoidable element of the capitalist economic system, brought on by resource scarcity and population growth. According to this view, the market economy will automatically right itself, and people and families who are impoverished are doing so because of personal failings like laziness or a lack of grit. Classical theory has come under fire for its insufficient thoughtful of the causes of poverty, as well as for placing an excessive amount of emphasis on human behavior and responsibility while ignoring systemic issues like economic inequality, a lack of access to healthcare and education, and poor governance (Banerjee & Duflo, 2015).

According to contemporary theories of poverty, such as feminist economics and dependency theory, poverty is not only the result of individual failures but also of institutional problems and power disparities. However, despite its criticisms, the classical theory of poverty remains relevant in today's world, especially in the context of current global events and trends. For example, The COVID-19 epidemic, for instance, has resulted in several job losses and financial suffering, underscoring the importance of individual characteristics like personal savings and financial preparation in determining a person's capacity to weather financial crises. Classical theory continues to be a topic of ongoing research and discussion in the academic community, and it continues to impact public discourse and policy debates around poverty (Birdsall & Borrelli, 2018; Seguino, 2019). The traditional theory of poverty is still relevant today, but it needs to be understood in the context of a broader understanding of poverty that takes both individual and institutional causes into account. Academical research has increasingly emphasized the importance of systemic and structural forces in perpetuating poverty. Focus on these factors is necessary for effective poverty reduction strategies.

5.2 The Neoclassical Theory of Poverty

An updated version of the classical theory of poverty is known as the neoclassical theory of poverty. It incorporates a more valuable comprehension of the complex interplay between systemic and personal factors that contribute to poverty. This theory argues that poverty results from a blend of individual-level factors such as lack of education or skills and systemic factors such as market failures, government policies, and discrimination. This theory holds that those who lack the knowledge and skills required to engage in the labour market effectively will endure low earnings and poverty, while those who possess these requirements will be able to find higher-paying employment and escape poverty. This theory suggests that poverty can be reduced by improving the human capital and labor market opportunities of poor individuals.

Academic literature has long addressed the neoclassical idea of poverty. For instance, in 1984 Foster, Greer, and Thorbecke presented a class of decomposable poverty measures that might be used to analyse poverty from a microeconomic perspective (Foster, Greer, & Thorbecke, 1984). Deaton wrote a book on the analysis of household surveys in 1997 that covered the application of microeconomic techniques to research poverty and guide development strategy (Deaton, 1997). Women's empowerment is essential for economic development and poverty reduction has been highlighted by Duflo (2012). Her work emphasizes the value of expanding women's access to education and career opportunities and tackling gender-based barriers that restrict their ability to advance economically. Overall, the neoclassical theory of poverty has been an influential framework for understanding and addressing poverty from a microeconomic perspective. Its focus on individual-level factors and market-based solutions has informed a wide range of poverty reduction policies and programs.

In the current era, the neoclassical theory of poverty continues to play a role in shaping approaches to poverty reduction. This theory recognizes that poverty is not solely the result of individual-level factors but also of systemic and structural factors that limit economic opportunity and access to resources. This has led to a focus on addressing market failures, such as lack of access to credit or employment opportunities, as well as addressing discrimination and inequality in government policies and institutions. Poverty

reduction strategies must address systemic and structural factors, such as income inequality and market failures, in addition to individual-level factors (Bourguignon, 2015). For example, some governments and organizations have implemented microfinance programs, which provide small loans to individuals for businesses to address market failures and promote entrepreneurship and economic growth.

The neoclassical theory of poverty has limitations, but there is a need for a more comprehensive approach to understanding poverty and inequality, considering a wider range of factors such as money and financial resources, social exclusion, and individual agency and empowerment.

5.3 The Keynesian Theory of Poverty

Theory of poverty associated with Keynesian is established on the ideas of economist John Maynard Keynes who emphasized role of government intervention in reducing poverty. This theory argues that poverty results from inadequate aggregate demand in the economy, which can be addressed through government policies aimed at increasing consumer spending and investment which can be made through greater spending on public works projects, social welfare initiatives, and demand-boosting economic stimulus measure. These measures will boost consumer demand for goods and services, companies will increase employee hiring, which will create employment and decrease poverty. In John Kenneth Galbraith's book "The Affluent Society" (1959), which promotes the argument that poverty is a systematic problem that can only be solved by government intervention rather than a result of personal shortcomings or a lack of opportunities, is one of the key references for the Keynesian theory of poverty. Galbraith challenges the notion that poverty results from personal failings in the book and contends that it is actually the product of a lack of demand in the economy, which can be fixed through government spending.

The biography of John Maynard Keynes by Robert Skidelsky (2009) In this study, Skidelsky offers a thorough analysis of Keynes' theories on unemployment and poverty, highlighting the significance of government intervention in resolving these problems. In general, the Keynesian theory of poverty gives a structural perspective on the origins of poverty, contending that it is

caused by an economy with insufficient demand rather than by personal shortcomings or a lack of chances. This point of view has been hotly contested in academic writing and has influenced public policy on reducing poverty.

In the current era, the Keynesian theory of poverty continues to play a role in shaping poverty reduction strategies, particularly in times of economic recession or slowdown. This theory recognizes that poverty can be exacerbated by economic conditions, such as high unemployment or low consumer spending, and that government intervention is necessary to address these conditions and reduce poverty. Government programs aimed at reducing poverty, such as cash transfers and food subsidies, can be highly effective in reducing poverty. This research supports the view that government intervention is necessary to address poverty, particularly in times of economic recession or slowdown, as in 2008. Nonetheless, there has been a growing realization of the limitations of the Keynesian theory of poverty and the need for a more sophisticated and all-encompassing approach to comprehending poverty and inequality in recent years. Recent years have seen the emergence of new perspectives on poverty that take a wider variety of factors into account, including the contribution of structural factors like globalization and technological advancement as well as the effects of disparity on reducing poverty and growing the economy.

5.4 The Marxian/Radical Theory of Poverty

The Marxian or "radical" poverty theory is rooted with ideas of German philosopher and economist Karl Marx. It argues that poverty is not simply a single-level trend but a structural and systemic result of capitalism. According to this perspective, poverty arises from the unequal distribution of wealth and power in society, and it can be eliminated by replacing capitalism with socialism or communism system.

One of the key references for the Marxian theory of poverty is Karl Marx's "Capital" (1867–1894), where he provides a detailed analysis of the workings of capitalism and the exploitation of the working class. In this work, Marx argues that capitalism leads to the absorption of wealth by small rich capitalist class, while the majority of the population remains poor and exploited. Another reference for the Marxian theory of poverty is the work of British economist and

philosopher David Harvey, who has extensively written on the relationship between poverty and capitalism. In his 2005 book, "A Brief History of Neoliberalism," Harvey argues that the rise of neoliberalism in the late 20th century has exacerbated poverty and inequality and contributed to the increasing concentration of power and wealth in the hands of a small exclusive. Overall, the Marxian/radical theory of poverty offers a systemic and critical perspective on the causes of poverty, asserting that it results from the working-class exploitation by the capitalist class. This perspective has been influential in shaping left-wing political and economic thought and continues to be debated in the academic literature.

The Marxian and radical theory of poverty, advanced by Karl Marx and later radical economists, views poverty as a result of capitalist mode of production and exploitation of the employed. According to this theory, poverty is an inherent feature of capitalism and cannot be effectively reduced through reforms or policy interventions within the existing system. Instead, fundamental changes to the economic and political structure of society are necessary to address poverty and inequality.

Recently, there has been a resurgence of interest in Marxist and radical perspectives on poverty, as well as the development of new Marxist and radical approaches to poverty analysis. One such approach is the feminist Marxist perspective, which argues that poverty and inequality are not only a result of capitalist exploitation but also of patriarchal oppression and the exclusion of women from economic and political power (Dalla Costa and James, 1972). Another perspective is the ecological Marxist perspective, which views poverty and environmental degradation as interconnected and rooted in the capitalist mode of production and the exploitation of nature (Boschert, 1999). This perspective argues that addressing poverty and environmental degradation requires a fundamental transformation of the economic and political structures that drive both. In general, the Marxian or radical theory of poverty offers a critical viewpoint on the underlying factors that contribute to poverty and inequality and emphasizes the importance of structural reform in order to address these problems. It is crucial to remember that this theory is still debatable and that its recommendations for

combating poverty are frequently regarded as being politically and economically impossible.

The Marxian/Radical theory of poverty is still relevant today, helping to shape solutions for eradicating poverty and opposing traditional approaches that only address individual-level issues. According to this theory, poverty is caused by systemic and structural reasons as well as individual-level variables that limit economic opportunity and concentrate money and power in the hands of a modest figure of society. For example, some governments and organizations have implemented anti-poverty programs that aim to address systemic and structural factors, such as income inequality and market failures, in addition to individual-level factors. These programs may include measures such as progressive taxation, minimum wage laws, and regulations aimed at promoting equality and reducing wealth concentration.

5.5 The Monetary Theory of Poverty

The concept of monetary theory of poverty has been debated by economists, political scientists and sociologists for many years. The monetary theory of poverty suggests that poverty can be reduced through access to financial services and an increase in availability of money, leading to economic growth and employment opportunities. Monetary approach defines poverty in terms of referring the deficiency of adequate income or resources to encounter basic needs and maintain a minimum standard of living (Laderchi et al. 2003). Understanding the causes and effects of poverty as well as establishing policies and programs aimed at eradicating poverty and advancing more economic and social equality all depend on the study of monetary poverty.

Literature on monetary poverty has produced a rich and diverse body of theories, models, and empirical evidence. Some of the key contributions to the field of monetary poverty include Adam Smith (1776), "An Inquiry into the Nature and Causes of the Wealth of Nations," who claimed that poverty was result of the unequal distribution of wealth and income in society. Study by David Ricardo (1817), "On the Principles of Political Economy and Taxation," who argued that poverty was result of declining returns to labor, caused by the growth of population and the limited supply of land. Amartya Sen (1981) introduced "Poverty and Famines: An

Essay on Entitlement and Deprivation," who argued poverty was not simply a matter of inadequate revenue, however also a result of lack of access to resources and opportunities. James Foster and Joel Greer (1984), "A Test of the Quantity Theory of Poverty," who developed a model of poverty that incorporated changes in prices, income, and consumption over time.

Academic works have shaped the field of monetary poverty and are essential for addressing poverty and promoting economic and social equality. Such as current studies by Nguyen and Vu (2022) examines the effectiveness of monetary transfers, such as cash transfers and microfinance programs, in reducing poverty and inequality in low-income countries. Another study by Liu, J et al (2021) explores that financial inclusion initiatives will help to reduce poverty and inequality by providing persons and households with greater contact to money and financial resources. De Wispelaere (2020) argues that monetary transfers can reduce poverty and inequality by providing individuals and households with greater access to financial resources. A study by Jack et al. (2015) found that mobile money has been found to reduce poverty in developing countries, with higher levels of household income and a reduction in poverty assessing to financial services is associated with sophisticated income and poverty reduction in developing countries.

In the current era, there has been a rising concern for the position of financial services in reducing poverty. This is reflected in the growing body of academic literature on the subject. There are several findings that have shown a positive relationship between poverty reduction and access to financial services.

5.6 The Cultural Theory of Poverty

Poverty is caused by cultural norms, attitudes, and behaviors that limit people's capacity to improve their financial circumstances. Generally, the cultural explanation of poverty remains a major focus of study on poverty and inequality. The cultural theory of poverty, which gained popularity in the late 1960s and early 1970s, contends that in addition to a lack of financial resources, poverty is also influenced by cultural attitudes and habits. A study by W.J. Wilson (1987) made the case that poverty can spiral out of control and be

passed down from one generation to the next through cultural attitudes and behaviors in one of the early studies in this field.

A Chinese study by L. Lee conducted a study in (2021) examined the connection between cultural values and poverty in Chinese rural villages. According to this study, cultural norms around employment, education and the acquisition of resources might influence poverty outcomes. In a study by K. Patel's (2020) study, which focused on the influence of cultural practices and beliefs on poverty in India, he studied the cultural components of poverty in a worldwide perspective. This study discovered that cultural beliefs about marriage, family, and gender roles might have a big impact on how people experience poverty. A study by McAreavey & D. Brown (2019) that examined cultural convictions that contribute to urban poverty. In accordance with this study, societal expectations on work and education can hinder economic opportunity and aggravate poverty. Another study by Green et al. (2018) looked at how cultural values affect how low-income people make financial decisions. This study discovered that cultural attitudes around money and saving can have a big impact on how people behave financially.

The Cultural Theory of Poverty has been criticized and has its drawbacks, although academic literature has also examined other reasons for poverty's continuance. For instance, scholars have emphasized the significance of researching the structural obstacles that prohibit people and communities from leaving poverty, such as restricted access to opportunities for high-quality education and employment. Overall, the role of the Cultural theory of Poverty in the current era is one of continued debate and critique, with some scholars and policymakers advocating for a more nuanced understanding of the complex factors that contribute to poverty, while others continue to hold onto the theory as a way to explain and address poverty.

5.7 Ecological Theory of Poverty

The history of ecological theory of poverty can be sketched in the past to the late 20th century when sociologists and environmental scientists began to discover the relationship between environment and poverty. This approach to understanding poverty actually moved away from traditional explanations that emphasized individual or cultural factors and instead stressed the importance of

the physical and social environment in shaping poverty. The Ecological Theory of Poverty is a framework that seeks to understand the relationship between environment and poverty. The theory suggests that poverty is not solely the result of individual or cultural factors but rather the result of complex interactions between individuals, communities, and their surrounding physical and social environments.

The ecological approach to poverty recognizes that it is not just a problem of a dearth of resources simply also a problem of access to resources, assets, and chances. Key works and researchers in the field of the ecological theory of poverty include (A. B. Atkinson, 2015). They argue that poverty is not just a matter of income or personal characteristics but is instead a complex, multi-dimensional phenomenon that is influenced by a range of factors such like, geography, social networks, and the physical and political environment. It requires a multi-dimensional solution that addresses these factors simultaneously.

The study "Linking Poverty to Productive Resources in Africa" by Faheem, M. et al. (2021) is a comprehensive examination of the relationship between poverty and productive resources in Africa. A study by academics at the University of Oxford has found that poverty is strongly correlated with the ownership of productive assets such as land, livestock, and capital. These types of assets owned by households can have a substantial impact on declining poverty, with livestock ownership being particularly effective in reducing poverty. Another study, "The Role of Natural Resources in Poverty Alleviation: Evidence from Latin America," by Barrios and Rojas (2019), examines the relationship between poverty alleviation and natural resources in Latin America. The authors use empirical evidence to analyse the impact of natural resources on poverty and identify the key factors that contribute to its reduction. They find that natural resources can play a positive part in poverty reduction, but that the impact is highly dependent on the context and the governance and management of the resources.

The study "Counting and multidimensional poverty measurement" by Alkire and Foster (2011) provides a comprehensive overview of the approaches and methods used to measure poverty. The authors argue that poverty should be measured not just in terms of income or consumption but also in other dimensions like, education, health

and entree to basic services. Overall, the ecological theory of poverty offers a valuable structure for understanding the complex and interrelated causes of poverty in the current era and provides a basis for developing more holistic and effective strategies for reducing poverty and promoting sustainable development.

5.8 The Economic Theory of Poverty

The study of the causes and effects of poverty is referred to as the theory of economic poverty in economics. The field of poverty studies has a long history and has been the subject of numerous academic studies and research articles. One of the most prominent theories of economic poverty is the absolute poverty which defines a severe disorder in accumulation of basic human wants, including food, shelter, health, safe drinking water, education, sanitation services and information. "It depends not only on income but also on access to services" (UNDP, 1990). Another well-known theory is the "relative poverty theory," which characterizes poverty as a lack of resources compared to others in society. Research on economic poverty has shown that poverty has significant impacts on individuals, communities, and societies as a whole. For instance, poverty can result in ill health, inadequate education, and restricted access to necessary services. Additionally, poverty can result in social exclusion and inequality, which can harm a society's general well-being (Ravallion, M. 2001).

The intricate interactions between poverty and other factors, including racial, gender, and geographic differences, have also been studied in the study of poverty. For instance, studies have indicated that poverty affects women and people of color more often than the general population, and that poverty rates are frequently higher in rural than in metropolitan regions. In conclusion, the study of the idea of economic poverty is intricate and multifaceted, with significant ramifications for people, groups, and nations. For policymakers and practitioners aiming to eradicate poverty and advance equality, the research in this field continues to give fresh perspectives and comprehension into the causes and effects of poverty.

The study of poverty as an economic problem date back to the 16th century, but it wasn't until the 18th and 19th centuries, courtesy of the writings of philosophers like Adam Smith, Thomas Malthus, and

David Ricardo, that the contemporary economic theory of poverty started to take shape. Some studies are briefly discussed, such as how poverty was cited by Adam Smith in "The Wealth of Nations" (1776) as a natural consequence of the market economy and the division of labour. He argued that acting in one's own best interests would boost wealth overall and eventually decrease poverty (Smith, 1776). In "An Essay on the Principle of Population" (1798), Thomas Malthus first proposed the hypothesis that when population expansion outpaced food production; it would eventually result in famine and poverty (Malthus, 1798). While idea of comparative advantage by Ricardo gave a raise to overall prosperity and lowers poverty. John Maynard Keynes, an economist, contested the classical economic theory of poverty in the 20th century and argued that government intervention was vital to eradicate it. Later, the welfare state model was created using this concept, where the government helps those in need (Keynes, 1936). Development economists like Walt Rostow and Gunnar Myrdal, who concentrated on the role of economic growth and development in eliminating poverty in latter part of the 20th century.

In conclusion, the economic theory of poverty has evolved over centuries, starting with the classical economists and continuing through the works of development economists, behavioral economists, and other disciplines. Each contribution has added to our understanding of poverty as a complex issue that requires a multi-disciplinary approach to address.

5.9 The Political Theory of Poverty

The political theory of poverty focuses on how political and economic systems contribute to and justify poverty. It assesses the role played by the government, political organizations, and policies in causing and eradicating poverty. This interdisciplinary field is influenced by a number of academic fields, including political science, sociology, and economics. There is yet another significant work in this area "Bradshaw, T. K. (2007) makes the case in "Theories of Poverty and Anti-Poverty Programs in Community Development" that poverty must be understood in the context of the political and economic systems in which it exists. A Theory of Justice by John Rawls (1971), which presents a moral and political foundation for a just society and the function of government in

combating poverty, is another seminal work. Adam Smith's 1776 book "An Inquiry into the Nature and Causes of the Wealth of Nations" and "The Political Theory of Poverty" have also been greatly influenced by "Dependency Theory" by Namkoong, Y. (1999).

The emergence of intersectional approaches to poverty has made an essential contribution. It examines the connections between poverty and themes like inequality, race, and globalization. For instance, Robles, B. et al. (2006)'s "The Color of Wealth: The Story Behind the U.S. Racial Wealth Divide" offers a systematic analysis of the connection between poverty and race and in the USA. A focus on globalization and its effects on poverty is another theme in the literature. De Miguel Rodriguez, J. M. (2017)'s in his "Global Inequality: A New Approach for the Age of Globalization" examines how new types of poverty and inequality have been brought about by globalization and how these issues might be resolved by political action. Along with these more general tendencies, the literature has continued to improve our comprehension of the state's role in combating poverty. Anstee, I. (2022), for instance, makes the case in "Equitable Giving: Why Philanthropy is Failing Democracy and How It Can Do Better" that charity and philanthropy are insufficient to combat poverty and that the government must play a significant role in fostering a more just society.

In conclusion, the political theory of poverty continues to evolve and expand, incorporating new insights and perspectives on the complex relationships between poverty, inequality, and political systems. The literature remains an important resource for scholars and policymakers seeking to address poverty and create a more just and equitable world.

5.10 The social exclusion theory and the social capital

The concept of "social exclusion" first appeared in the 1970s, when French sociologists started to study how marginalized groups were kept from fully participating in society. Pierre Bourdieu came up with one of the earliest and most significant definitions of the idea, referring to social exclusion as a "structural phenomenon that results from the play of a number of mechanisms of exclusion and the accumulation of advantages and disadvantages, which tend to

reproduce the initial conditions of their production" (1986, Bourdieu). In the 1990s, the concept of social exclusion gained wider recognition and was taken up by researchers in a number of different fields, including economics, political science and sociology. One of key contributions of this period was the development of a more nuanced understanding of the different forms of exclusion, including cultural exclusion, political exclusion and economic exclusion.

In the 2000s, the concept of social capital emerged as a way of understanding the role of social networks, norms, and trust in shaping the distribution of opportunities and outcomes in society. Scholars such as Robert Putnam (2000) argued that social capital could help to reduce social exclusion by providing individuals with access to resources and opportunities that would otherwise be unavailable to them. In recent years, the concept of social exclusion has become increasingly central to debates about inequality and social justice, with scholars and policymakers seeking to understand the ways in which exclusion operates across different domains and to develop strategies for reducing its impact. In this context, social capital has been seen as a potential source of empowerment for marginalized populations, providing them with the resources and networks needed to overcome exclusion and participate fully in society.

Social exclusion and social capital represent an interdisciplinary approach to understanding poverty and inequality that places a strong emphasis on the value of social networks and relationships. This idea contends that poverty is influenced by a person's access to social networks and the resources that go along with them, as well as by their personal economic situations. The work of French sociologist Pierre Bourdieu, who coined the term "social capital" to describe the benefits that people gain from their social interactions and networks, is one of the most important sources for the notions of social exclusion and social capital. Bourdieu makes the case that social capital is a key factor in determining both social and economic success and explored that that people with extraordinary levels of social capital is more probable to succeed in life in his book "Distinction: A Social Critique of the Judgment of Taste" (1984).

The writings of British sociologist and economist Anthony Giddens, who has written extensively on the connection between social

networks and poverty, are a further source for the theory of social exclusion and social capital. Giddens contends that strengthening social networks that aid those in need and investing in social capital can reduce poverty and inequality in his 1998 book, "The Third Way: The Renewal of Social Democracy." The theory of social exclusion and social capital, which emphasizes the significance of social interactions and networks in determining economic and social outcomes, provides a complex and comprehensive perspective on the causes of poverty and inequality. This viewpoint has been hotly contested in academic literature and has significant ramifications for social policy and poverty reduction practice and policy.

6. Conclusion

Poverty is a systematic problem that can only be solved by government intervention not solely by individuals. Regarding the definition and assessment of poverty, each of the ten types of poverty has a unique set of presumptions. Utilizing a variety of monetary policy tools, keeping an eye on economic trends, and maintaining good public relations should all be priorities for monetary policy in order to preserve low and stable inflation and ensure steady and sustained economic growth. We can ensure that all citizens have a voice and may participate in determining the destiny of their communities and countries by establishing a more inclusive and democratic political system. Addressing the underlying causes of poverty and empowering people and communities to change their economic circumstances are necessary for reducing economic poverty.

It is feasible to achieve a more affluent and fair future for everybody by tackling poverty holistically to lessen societal poverty. We can ensure that everyone has access to cultural resources and that cultural diversity is acknowledged and embraced by adopting a holistic strategy. It is crucial to remember that these suggestions are not all-inclusive and that eliminating social exclusion and boosting social capital will necessitate individualized, context-specific strategies that consider the particular requirements and conditions of various communities. We can build an inclusive and egalitarian society allowing each person the chance to realize their full potential.

7. Policy Recommendations

To end poverty, there is no one-size-fits-all approach, as the causes and consequences of poverty vary greatly across different regions and communities. However, some policies that have been recommended to reduce poverty can be helpful for inclusive and rich society and more sustainable and equitable future for all. Here are some recommendations on the basis of every theory of poverty has been discussed.

7.1 Recommendations for the Monetary Theory of Poverty

- Creating jobs that pay a living wage is key to reducing poverty.
- Investing in education and skills development can help people secure good jobs and increase their earning potential.
- Social safety nets provide a lifeline to the poorest families, preventing them from falling into poverty.
- Improved access to health care can help people stay healthy, avoid poverty, and be more productive.
- Financial inclusion provides access to financial services to help people manage their money and build assets.
- Governments can reduce inequality through progressive taxation, minimum wage laws, and policies to support workers and the poor.
- Governments can promote sustainable economic growth to reduce poverty.

7.2 Recommendations for Cultural Theory of Poverty

- Education can reduce cultural poverty by providing quality education to all members of society.
- Government and private organizations should invest in the arts to reduce cultural poverty.
- Promoting diversity and inclusiveness can help reduce cultural poverty by providing equal access to cultural resources and opportunities.
- Community-based cultural initiatives can help reduce cultural poverty by providing funding and resources.

- Government and private organizations should reduce cultural poverty.

7.3 Recommendations for Ecological Theory of Poverty

- Encourage sustainable livelihoods to improve well-being and preserve environment.
- Authorize local communities to accomplish natural resources in a sustainable means.
- Strengthen land tenure rights to reduce conflicts and support sustainable resource use.
- Invest in renewable sources of energy and less reliance on non-renewable sources of energy.
- Reduce emissions of greenhouse gas, promote energy efficiency, and invest in renewable energy to address climate change.
- Protect critical habitats and biodiversity through conservation measures.
- Educate communities about the importance of preserving natural resources and promoting sustainable resource use.
- Strengthen institutions to ensure sustainable resource use.
- Promote sustainable tourism to generate income and create employment while preserving the environment.
- Invest in research and innovation to address ecological poverty and manage natural resources.

7.4 Recommendations for Economic Theory of Poverty

Encourage job creation in sectors with potential for growth to increase employment and improve economic well-being.

Provide technical and financial assistance to SMEs to help them grow and create jobs.

Strengthen financial systems to improve financial stability and reduce poverty.

To combat poverty and spur economic development, invest in education and skill-building initiatives.

Redistribute income and wealth to reduce poverty and increase economic equality.

Encourage inclusive economic growth to reduce poverty and promote shared prosperity.

Strengthen institutions to reduce poverty and promote economic development.

Encourage trade and investment to create jobs and reduce poverty.

Invest in infrastructure to reduce poverty.

A comprehensive approach to address conflict and instability to promote peace and stability.

7.5 Recommendations for Political Theory of Poverty

- Encourage political participation through voter education, parties, and spaces for discussion and debate.
- Governments must increase transparency and accountability through open data initiatives, freedom of information laws, and independent oversight bodies.
- Equal representation should be achieved through quotas, quotas, and programs to encourage political participation.
- Moves must be taken to prevent corruption, such as increased transparency, stricter enforcement, and strengthening of institutions.
- Supporting civil society is essential for reducing political poverty.
- Economic growth must benefit all citizens, through progressive tax systems, investment in education and health, and decent work opportunities.
- Governments must ensure citizens have access to diverse sources of information and free and independent media.

7.6 Recommendations for the Theory of Social Exclusion and Social Capital

- Economic exclusion can be reduced through policies such as job training programs, minimum wage increases, and tax credits.
- Social capital is built on social networks, norms, and trust, which can be fostered through programs such as community-based initiatives.

- Cultural exclusion can be reduced through policies such as affirmative action, anti-discrimination laws, and sensitivity training.
- Promote civic engagement and political participation to reduce political exclusion.
- Addressing systemic barriers to promote equity and inclusion.

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